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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
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10/811,605

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Harry Duke

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EXAMINER

CARLSON, JEFFREY D

ART UNIT

PAPER NUMBER

3622

MAIL DATE

DELIVERY MODE

08/27/2008

PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary	Application No. 10/811,605	Applicant(s) DUKE, HARRY	
	Examiner Jeffrey D. Carlson	Art Unit 3622	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 29 April 2008.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-38 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-38 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|----------------------------------------------------------------------------------------|-------------------------------------------------------------------|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413) |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | Paper No(s)/Mail Date. _____ |
| 3) <input checked="" type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08) | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| Paper No(s)/Mail Date <u>6/3/08</u> . | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

Claim Rejections - 35 USC § 101

1. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

- Claim 34 is rejected under 35 U.S.C. 101 because the claimed invention appears directed to non-statutory subject matter. The claim appears to merely set forth a bank card which, even if it stores data such as an account identifier, is not statutory subject matter. The card is taken to represent data per se; the card does not perform any functions; it is other aspects of the disclosed system that performs functions after reading the account identifier on the card. Further, there is no useful, concrete and tangible result or a physical transformation taking place. While much of the claim refers to a collection of features which are considered to be concrete, useful and tangible, these features are not capable of being performed by the card itself. Applicant should include all of the other components of the system in order to overcome this rejection.

Claim Rejections - 35 USC § 112

2. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

3. Claims 32, 34 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

- Claim 32 sets forth an apparatus having an account database comprising a balance, yet applicant provides many features associated with the balance without any particular system structure capable of providing those features. For example, a stored balance of \$100 is merely the number 100 stored in memory; how the value 100 came to be or where the funds came from cannot be clearly set forth in a limitation concerning the ultimate balance itself. How does the language (directed to the stored balance) referring to the “sum...accrued...less amount of current or previous transactions” limit the structure? It is unclear what programmed capabilities (i.e. structure) are positively claimed that provide those features of summation, accrual tracking, and subtraction which are representative of the final balance.
- Claim 34, now is directed to a “card system” and it appears that applicant is desirous of an apparatus claim. Therefore applicant should be presenting structure (i.e. programmed capabilities) that are important. At this time it appears that applicant is merely claiming a card that *could be* swiped. Language describing what happens if one were to swipe such a card is confusing unless applicant clearly claims apparatus programmed to accomplish such capabilities. Much of the claim actually appears to read as a method claim, which is particularly confusing in this apparent apparatus claim.

Claim Rejections - 35 USC § 103

4. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

5. Claims 1-38 are rejected under 35 U.S.C. 103(a) as being unpatentable over Slater (US6615190) in view of Carroll et al (2002/0023026).

6. Regarding claims 1, 5, 17-20, 35, 38, Slater teaches a funded stored value card that is given to a recipient and for whom an account is created having a certain managed balance in the stored account [abstract]. The term “gift” is not taken to positively require any particular limitation, however Slater teaches various scenarios where such an account/value card is presented to a recipient including: relocation expenses [col 6: line 53], incentive/rewards [6:56, 7:39-41], as a “coupon” to entice purchasing [7:36], or for “other reasons” [1:12], which are all taken to be examples of gifts and are therefore representative of gift card accounts. Further, the cardholder/accontholder can apply the funds in the gift account towards purchases of products at various/plural merchant points of sale (POS) similar to a debit/credit card purchase [2:35, 5:58-60]. Slater teaches that the gift card account may generate revenue generated from the “float” of unrealized funds in the account balance [6:29-35] and that interest may be awarded to the cardholder. However, Slater does not teach investment sub-accounts. Carroll et al teaches that electronic gift certificates are

deposited into a giftee's/user's account and then transferred into pre-selected investment products (i.e. sub accounts) [abstract, 0009, 0007]. The investment account therefore has a calculated net value of the total of sums associated with each investment product (subaccount) [0019]. It would have been obvious to one of ordinary skill at the time of the invention to have provided the accounts of Slater with capabilities for investment subaccounts so that the account holder can take more of a stake in realizing the revenue generating power of the float already recognized by Slater.

7. Regarding claims 2-4, 23-25, it would have been obvious to one of ordinary skill at the time of the invention to have chosen any well known investment product in a manner as taught by Carroll et al, including the known products claimed by applicant, so as to offer a wide variety of flexible investment strategies.

8. Regarding claim 6, 21, 36, 37, it would have been obvious to one of ordinary skill at the time of the invention to have calculated a net asset value of the account as often as desired, including daily as is well known, so as to provide up to date portfolio values.

9. Regarding claims 7, 8, 22, It would have been obvious to one of ordinary skill at the time of the invention to have enabled the user to transfer funds between investment products (sub accounts) at the consumer's will, especially as Carroll et al teaches that the user's have control of their investment products chosen.

10. Regarding claims 9, 10, it would have been obvious to one of ordinary skill at the time of the invention to have held funds in a clearing account until the funds were available in a manner as is well known. In order to accomplish this acceptance at plural merchants, the gift card/account has a unique account number and is affiliated with a

credit network such as VISA™ [3:46-52] which is taken to be representative of transactions sent from merchants via a banking debit network, as the transaction will debit funds from the uniquely-identified account.

11. Regarding claims 11-16, 26-31, Slater speaks of filters that are applied such as limiting card usage only for products at certain merchants categories [7:5-15]. It is clear that users of such gift cards cannot make purchases using the card that exceed their current balance, Which can be said to be an associated maximum value for each merchant. No merchant is going to allow such purchases that exceed the balance. Further, it would have been obvious to one of ordinary skill at the time of the invention for each merchant to flag unrealistic purchases as likely fraudulent, for example where a card holder attempts to make a purchase of \$1,000,000.

12. As best understood regarding claims 32-34, in order to accomplish the acceptance at plural merchants, the gift card/account has a unique account number and is affiliated with a credit network such as VISA™ [3:46-52] which is taken to be representative of a unique identification number approved by the American Banking Association (ABA). It would have been obvious to one of ordinary skill at the time of the invention to have processed purchase using a swiped card including the software-driven steps of identification of the account and the proper banking network, verification of sufficient funds in the account's real-time updated balance (calculated any difference between the transaction amount and the balance; accept if funds are sufficient, deny if funds are not sufficient), settlement of the transactions in communication with a plurality of merchant POS terminals and re-writing of the new updated balance where

appropriate. These steps are a collection of standardized practices for VISA purchases and it would have been obvious to one of ordinary skill at the time of the invention to have applied the techniques to purchases made with the card/accounts of Slater in view of Carroll et al.

13. Claims 14-16, 29-31 are rejected under 35 U.S.C. 103(a) as being unpatentable over Slater in view of Carroll et al and Armes (US20010034720).

14. Regarding claims 14-16, 29-31, Armes teaches purchase limitations set by merchants including a dollar amount maximum per transaction [¶ 0056]. It would have been obvious to one of ordinary skill at the time of the invention to have provided such merchant-specified limitations (filters) in order to prevent fraudulent purchases.

Conclusion

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Jeffrey D. Carlson whose telephone number is 571-272-6716. The examiner can normally be reached on Monday-Fridays; off alternate Fridays.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Eric Stamber can be reached on (571)272-6724. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/Jeffrey D. Carlson/
Primary Examiner, Art Unit 3622

Jeffrey D. Carlson
Primary Examiner
Art Unit 3622

jdc